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WTO TALKS IN GENEVA END WITHOUT SOLVING AGRICULTURAL ACCESS ISSUES

U.S. officials pledge to keep working toward pact that will liberalize trade

By Ralph Dannheisser
Washington File Special Correspondent

Secretary of Agriculture Mike Johanns, with U.S. Trade Representative Susan Schwab, during a WTO headquarters in Geneva July 1. Washington -- World Trade Organization (WTO) meetings in Geneva have ended without a breakthrough on contentious agricultural issues, but U.S. officials pledged continued efforts to work toward a solution.

"We remain fully committed to an ambitious, robust round that opens new markets for the world's farmers, manufacturers and service providers," U.S. Trade Representative Susan Schwab said in a statement issued after the Geneva talks concluded July 1.

Deeming such a result to represent "the only way to deliver on the Doha promise as a development round," Schwab declared, "We have no intention of giving up hope." The negotiations, formally called the Doha Development Agenda, have been plagued by disagreement over the agricultural issues almost since their start in 2001. Agriculture Secretary Mike Johanns, another key U.S. participant in the talks, said the main task in Geneva had been to "agree on how to deliver on the Doha mandate to 'substantially improve' market access in agriculture through programs of fundamental reform and by reducing barriers to industrial goods.

"We don't have all the answers yet, but the central question of market access is squarely on the table. We also had a long overdue discussion on the balance that we all need to achieve for the Round to succeed," he said. Johanns and Schwab had foreshadowed tough times for the negotiations in comments they made earlier during the talks.

On June 30, Johanns told reporters that he was worried about the outcome in light of developing countries' proposals that he said would virtually preclude any new access for U.S. farm exports.

And, heading into the July 1 session, he again said that earlier debate on three areas -- ones he referred to as "the three S's" and listed as arrangements covering "sensitive products, special products and special safeguard mechanisms" -- were continuing to prove intractable. "I will be very, very candid with you. After that debate I am worried," he said.

After several days of bilateral and small group meetings, Schwab and Johanns described the situation as serious, but not beyond hope.

"We are disappointed but we will not be deterred," Schwab said.

"Last October, the United States took a risk that's associated with leadership by putting on the table a major agricultural offer, expecting that it would be reciprocated by similarly bold moves by others," she said, adding, "That hasn't happened yet."

"As ministers reflect and consult ... we must shift the debate from how to grow loopholes in both agriculture and manufactured goods that undermine liberalization and focus instead on what each of us -- developed and developing countries alike -- can bring to the table to ensure the round succeeds," Schwab continued.

"We are ready to roll up our sleeves and work to find the breakthrough that will enable the successful conclusion of the Doha Round. It is the right thing to do for the U.S. economy, global development, and strengthening of the world trading system," she said.

The Doha round is scheduled to wrap up in just six months.

For additional information on U.S. trade policy, see USA and the WTO:

http://usinfo.state.gov/ei/economic_issues/WTO.html

U.S. URGES CAUTION IN SECURITY COUNCIL RESPONSE TO GAZA CRISIS

Ambassador Bolton lays blame on governing Hamas party

Washington – U.S. Ambassador to the United Nations John Bolton, in a June 30 emergency session of the U.N. Security Council, cautioned that body against taking any steps that might exacerbate tensions over the recent Israeli incursion into the Gaza strip.

He said that any remarks or formal statements from the Security Council could "undermine the limited credibility of the Council" by creating the impression that the United Nations "is all talk and no action."

Israeli forces launched an assault on Gaza June 27 in response to a June 25 raid by Palestinian militants in which two Israeli soldiers were killed and a third was abducted. In the initial attack, Israeli aircraft destroyed three bridges and Gaza's main power station while Israeli troops took up positions in southern Gaza. More recently, Israeli aircraft have bombed the Palestinian Interior Ministry building in Gaza City.

According to news reports, Israel also has detained dozens of Palestinian officials including at least eight Cabinet members and 20 legislators.

Bolton placed the blame for the crisis squarely on the Palestinian Authority's governing Hamas party. Calling the abduction of Israeli Corporal Gilad Shalit a clear act of terrorism, he said, "The attack and hostage-taking by Hamas last week precipitated this crisis, and their refusal to release their hostage continues to place innocent Palestinians in harm's way."

He said it is the responsibility of the Hamas government "to stop all acts of violence and terror and comply with the principles enunciated by the Quartet [the European Union, Russia, the United Nations and the United States]: renounce terror, recognize Israel, and accept previous obligations and agreements, including the Roadmap."

Bolton called on all parties to avoid actions that would escalate the situation but affirmed "Israel's unequivocal right to defend itself and the lives of its citizens."

The ambassador also blamed Syria and Iran for fueling the conflict through their support for terrorism.

He called on Syria to arrest Damascus-based Hamas political leader Khaled Meshal and “close down the various terrorist headquarters in Damascus.”

In light of the ongoing attacks on Gaza, Bolton urged “close attention to the humanitarian needs of the population of Gaza, and action to ensure that those needs are met expeditiously.”

Much of Gaza’s water and sewage system has been incapacitated by the destruction of the power plant. This marks the first major Israeli incursion into Gaza since Israel withdrew some 8,000 settlers and military forces from the coastal strip in September 2005.

CASPIAN REGION CRUCIAL FOR EUROPE’S ENERGY NEEDS, U.S. SAYS

State’s Bryza says private competition can ensure stable oil and gas supplies

By Vince Crawley
Washington File Staff Writer

Washington -- The United States believes new commercially developed pipelines, especially from the Caspian Basin, can diversify Europe’s energy markets and create more stable supplies of oil and natural gas, a senior diplomat told an online State Department forum.

“We welcome any new projects to diversify energy supplies in the region, and we believe the private sector should decide which projects are the most promising,” Matthew Bryza, deputy assistant secretary of state, said in a June 29 webchat. Bryza coordinates U.S. energy policy for the southeastern Europe region, including the Black Sea and Caspian Sea.

Regional oil and gas pipelines also reduce regional tensions because they cross national borders, requiring high-level cooperation between governments and enough political stability to encourage billions of dollars in private investment, Bryza said.

He disagreed with a reporter who asked if a new “energy cold war” has begun between Russia and the United States.

“Russia is one of the leading producers of hydrocarbons, and the U.S. is one of the world’s largest consumers,” Bryza said. “So both our countries have a great deal to gain by working together and positively engaging on energy issues.” However, the United States also believes in “the importance of commercial competition to improve the efficiency of Europe’s energy markets,” Bryza said, adding that the European Union shares this view.

“We seek competition, not confrontation,” he said. “The recent opening of the Baku-Tbilisi-Ceyhan (BTC) oil pipeline and the start of the South Caucasus Gas Pipeline later this year clear the way for a new generation of infrastructure to export large volumes of natural gas from Azerbaijan to Greece, Italy, and the Danube Basin.”

The 1,600-kilometer, \$4 billion BTC pipeline is designed to carry oil from Azerbaijan through Georgia to Turkey’s Mediterranean coast. On June 16, Kazakhstan and Azerbaijan reached an agreement to facilitate the transportation of Kazakh oil across the Caspian Sea to link with the BTC pipeline. The office of the State Department spokesman issued a statement June 22 saying the agreement “underscores the strategic importance of the pipeline and the East-West linkages it provides for the broad Caspian and Caucasus region.”

The 685-kilometer South Caucasus Gas pipeline runs alongside the BTC from Baku to Georgia’s border with Turkey, where it connects with the Turkish gas network and eventually will reach markets throughout southeast Europe.

Bryza said the United States and the international community remain committed to competitive energy markets based on the principle of supply and demand.

“Russia and Ukraine have an interest in seeing that their energy resources reach markets and that they sustain good reputations as supplier and transit countries,” Bryza said. He also said the U.S. government “has a long tradition of opposing energy monopolies.” The tradition goes back to the 1911 Supreme Court decision that broke apart the Standard Oil company.

“Avoiding crises such as the one last January 1 between Russia, Ukraine, and the rest of Europe will require the Euroatlantic community and Russia and other energy suppliers to operate in a more commercially competitive environment based on diversification of energy supply,” Bryza said.

On January 1, Russia's state-owned natural gas monopoly, Gazprom, halted sales to Ukraine in a price dispute and began reducing pressure in transmission lines that also carry substantial supplies to Western Europe. Gazprom had given Ukraine a deadline of January 1 to agree to pay quadruple the amount it previously paid for Russian gas, more closely reflecting market prices for the gas. At the time, the State Department said the United States supports moves toward free-market pricing but believes large price increases should be carried out gradually.

At Russia's initiative, energy security will be discussed by heads of state at the July 15-17 Group of Eight (G8) Summit in St. Petersburg, Russia.

Kazakhstan's recent participation in the BTC pipeline "shows that this project has succeeded because it makes commercial sense," Bryza said. "The laws of the market can be much stronger than the political preferences of countries."

The BTC oil pipeline and the South Caucasus Gas Pipeline "are crucially important projects in our shared effort with our friends and allies in Europe and the Caspian region to help European and global markets diversify their supplies of oil and gas," Bryza said. "Relying on market forces of commercial competition and diversity of supply is the best way to improve the efficiency of energy markets, and ensure that commercial rather than political considerations drive the flow of energy."

For more information, see Caucasus and Energy Policy: http://usinfo.state.gov/gi/global_issues/energy_policy.html

USDA OPENING OFFICES IN COUNTRIES AFFECTED BY BIRD FLU

Agriculture, health agencies issue progress reports on pandemic planning

By Kathryn McConnell and Charlene Porter
Washington File Staff Writers

Washington -- The U.S. Department of Agriculture (USDA) is establishing offices and sending personnel to five Asian countries to fight the international spread of the strain of highly pathogenic avian influenza (HPAI)

known as H5N1, according to a USDA Pandemic Planning Report released June 29.

In addition to the offices in China, Laos, Cambodia, Thailand and Indonesia -- some shared with offices of the U.S. Centers for Disease Control and Prevention -- USDA also plans to hire a local national veterinarian dedicated to HPAI activities in Burma, the report said.

The most effective approach to protecting animal and public health from highly pathogenic avian influenza is through active containment of the virus where it currently exists, said U.S. Secretary of Agriculture Mike Johanns in the report.

The strain of bird flu that emerged in Southeast Asia in late 2003 has killed more than 200 million birds through either disease or culling to prevent disease spread. The virus also has killed 130 people, more than half of the total 228 confirmed human infections, most of them after direct contact with sick birds.

Humans have little natural immunity to H5N1 so health officials warn pandemic influenza could break out if the virus develops the capability to pass easily from person to person.

INTERNATIONAL COOPERATION IN ANIMAL HEALTH

The U.S. government has pledged \$334 million to the international campaign against avian influenza and pandemic to be used in a variety of activities in areas of both animal and human health.

USDA is collaborating with the Rome-based U.N. Food and Agriculture Organization (FAO) to establish an Emergency Center for Transboundary Animal Diseases Crisis Management Center to coordinate multinational rapid responses to contain and eradicate HPAI, USDA reports. That involves sending some start-up funds for the Crisis Management Center and providing specialists who can take part in rapid response missions to countries experiencing outbreaks.

The efforts are part of a \$21 million "comprehensive program" of international activities USDA is implementing to control the spread of the virus in animals, including sending specialists and resources to countries where they are needed to augment efforts of local governments to combat the disease-causing virus that is causing worldwide concern.

As an example of sharing resources, USDA helped train and deploy an animal health specialist from Senegal to Cameroon earlier in 2006 to augment the capacity of the latter's animal health laboratory during Cameroon's emergency H5N1 eradication efforts.

USDA also is providing workshops to several countries on biosecurity standards and enforcement, undertaking collaborative research on animal diseases and disseminating information about vaccines, according to the report.

In addition, USDA has provided personnel protective equipment and special packing boxes to all of its overseas offices for the safe transport of suspect avian influenza samples to laboratories for testing.

The international efforts are part of USDA's overall strategy to slow the global spread of highly pathogenic avian influenza and expand an avian influenza early warning system in the United States.

USDA, which is leading the U.S. government's animal health efforts to combat highly pathogenic avian influenza, received \$91.35 million in emergency funding for the current fiscal year for that mission.

PROTECTING HUMAN HEALTH

U.S. human health officials are climbing a steep learning curve as they rush to prepare for the possibility of pandemic influenza, according to a separate report issued by Secretary of Health and Human Services (HHS) Mike Leavitt June 29.

"We continue to learn how much we have to learn," said Leavitt in the introduction to an HHS report on the nation's progress in pandemic planning over the last six months.

"While we have accomplished much in a short period of time, the race we are in is not a sprint, but a marathon," said Leavitt.

The disease has spread significantly since March, the report states, as 16 more nations have confirmed the appearance of the H5N1 virus either in wild birds or domestic flocks. Contrary to some expectations, it has not made an appearance in North America.

U.S. international involvement and outreach increased in the first six months of 2006 as government agencies

sent U.S. expert teams to the scene of various disease outbreaks. The United States sent specialists to Turkey, Armenia, Azerbaijan, Georgia, Romania, Ukraine, Nigeria and Indonesia in response to the appearance of H5N1.

Top HHS officials have traveled to various international meetings, speaking to officials of other governments to raise awareness about the potential for the outbreak of pandemic influenza and the need for preparedness.

The U.S. Centers for Disease Control and Prevention (CDC) had a scientist on the ground in Sumatra, Indonesia, when authorities investigated a family cluster of H5N1 in which seven people became ill and six died. Though the case did not mark the emergence of the sustained human-to-human transmission that will be the trigger for a pandemic, the joint international health investigation did reveal a mutation of the virus, which allowed passage of the illness from a son to his father.

The CDC specialist involved in the team called the case the first evidence that one person caught the virus from another person, and then passed it on to a third person. CDC's Dr. Tim Uyeki, part of the Sumatra investigating team, said the virus passed no further than that third person, and reached a dead end.

The last few months have brought what the HHS report describes as encouraging news about the success of containment efforts in Vietnam and Thailand. Both countries conducted extensive poultry culling operations after disease outbreaks in both animals and humans 2005. So far in 2006, neither country has reported further human cases, and the disease appears to be successfully contained among animals.

Please Note: Most texts and transcript mentioned in the U.S. Mission Daily Bulletin are available via our homepage: <http://geneva.usmission.gov/>

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